

COMMONWEALTH OF VIRGINIA  
STATE CORPORATION COMMISSION  
AT RICHMOND, DECEMBER 27, 2006

APPLICATION OF

VERIZON VIRGINIA INC.,  
VERIZON SOUTH INC.  
and  
MCIMETRO ACCESS TRANSMISSION SERVICES  
OF VIRGINIA, INC.

CASE NO. PUC-2006-00154

For Modifications to Rules Governing the  
Certification and Regulation of Competitive  
Local Exchange Carriers, 20 VAC 5-417 10 et seq.

ORDER FOR NOTICE AND COMMENT

On December 1, 2006, Verizon Virginia Inc., Verizon South Inc., and MCImetro Access Transmission Services of Virginia, Inc. (collectively "Verizon") filed their application with the State Corporation Commission ("Commission") requesting modification of the rules governing the certification and regulation of competitive local exchange carriers ("CLECs"), 20 VAC 5-417 10 et seq. ("CLEC Rules"). Verizon requests that the rules be revised to establish a cap on the intrastate access rates that CLECs may charge. Verizon seeks to modify 20 VAC 5-417-50 D or to add a new rule. Verizon proposes the following language:

A [CLEC] may not charge switched access rates that are higher than those of a competing incumbent local exchange carrier (ILEC) serving the same geographic location. A CLEC's aggregate charges for all of the rate elements that comprise its switched access service may not exceed the ILEC's aggregate charges for all rate elements that comprise its switched access service. If an ILEC lowers its access rates either pursuant to an order of the commission or on its own, then, no more than 90 days afterward, CLECs must adjust their access rates, as appropriate, so that they are not higher than the ILEC's new access rates. A CLEC may only impose charges for those functions that the carrier actually provides.

For purposes of this rule, a competing incumbent local exchange carrier shall mean the ILEC that serves the same geographic area in which the CLEC operates.

NOW UPON CONSIDERATION of the application, the Commission is of the opinion and finds that Verizon's application should be docketed and that interested persons should have an opportunity to comment on the application. The Commission seeks comments that, at a minimum, address whether Verizon's revisions to the CLEC Rules are reasonable and necessary. In addition, the Commission seeks comments on the following issues:

1. The second to last sentence in 20 VAC 5-417-50 D states, "Unless otherwise determined by the commission, price decreases for an incumbent's service, whether initiated by the carrier or adopted by the commission, shall not require a corresponding decrease in the price ceilings applicable to the new entrant." Does this provision allow the Commission to require CLECs to lower their access charges without a rule change? If so, how is the best way to consider access charge reductions (i.e., generic or individual proceedings)?
2. Should the Commission consider other changes to the CLEC Rules, particularly regarding other provisions of 20 VAC 5-417-50? If so, please identify those provisions and any applicable proposed rule changes or modifications with supporting justification.
3. Should the Commission consider the appropriate level(s) of intrastate switched access charges for other or all local exchange carriers in a generic proceeding?

Accordingly, IT IS ORDERED THAT:

- (1) This matter is docketed and assigned Case No. PUC-2006-00154.
- (2) On or before February 1, 2007, any interested persons may file written comments concerning the issues raised in this matter with Joel H. Peck, Clerk of the State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. Comments shall refer to Case No. PUC-2006-00154. Interested persons desiring to submit comments electronically may do so by following the instructions available at the Commission's

website: <http://www.scc.virginia.gov/caseinfo.htm>. A hard copy of such comments, submitted in writing, shall be simultaneously served on Verizon's counsel, Lydia R. Pulley, Vice President, General Counsel, and Secretary, Verizon Virginia Inc., 600 East Main Street, Suite 1100, Richmond, Virginia 23219-2441.

(3) On or before February 23, 2007, the Division of Communications may file comments on this matter addressing the application and the comments received.

(4) On or before March 9, 2007, Verizon shall file with the Clerk of the Commission an original and fifteen (15) copies of any response to comments.

(5) Verizon shall respond promptly to requests from interested persons for copies of the application and shall provide one copy free of charge. Copies are also available for public inspection between the hours of 8:15 a.m. and 5:00 p.m., Monday through Friday, in the Commission's Document Control Center located on the first floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, or may be downloaded from the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>.

(6) This matter is continued generally.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to: Lydia R. Pulley, Vice President, General Counsel, and Secretary, Verizon Virginia Inc., 600 East Main Street, Suite 1100, Richmond, Virginia 23219-2441; C. Meade Browder, Jr., Senior Assistant Attorney General, Office of the Attorney General, Division of Consumer Counsel, 900 East Main Street, Second Floor, Richmond, Virginia 23219; all local exchange carriers certified in Virginia, as set out in Appendix A; all interexchange carriers certified in Virginia, as set out in Appendix B; and the Commission's Office of General Counsel and Division of Communications.